

110TH CONGRESS
1ST SESSION

H. R. 2572

To amend the Higher Education Act of 1965 to establish a student loan forgiveness program for nurses.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2007

Ms. LORETTA SANCHEZ of California introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to establish a student loan forgiveness program for nurses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Nurse Loan Forgive-
5 ness Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) According to 2005 statistics from the Amer-
9 ican Hospital Association, 118,000 nurses are need-
10 ed to fill vacancies at our nation’s hospitals, and

1 more than 75 percent of all hospital personnel va-
2 cancies are for nurses.

3 (2) According to a study by the Department of
4 Health and Human Services in 2002, the United
5 States will experience a 29 percent shortage in the
6 number of nurses needed in the United States health
7 care system by the year 2020, which translates into
8 a shortage of more than 400,000 registered nurses
9 nationwide.

10 (3) Research indicates that there is a great
11 need for health care services, especially hospitals and
12 prescription drugs, but there continues to be a 28
13 percent decrease in national licensure examination
14 for all entry-level registered nurses.

15 (4) The Department of Labor projects a 29
16 percent increase in the need for nurses nationwide
17 from 2004 to 2014, compared with a 13 percent in-
18 crease for all other occupations.

19 (5) The General Accounting Office estimates
20 that 40 percent of all registered nurses will be older
21 than age 50 by the year 2010.

22 (6) Of those registered nurses in 2004, an esti-
23 mated 16 percent have chosen to not practice in the
24 field.

1 **SEC. 3. LOAN FORGIVENESS PROGRAM ESTABLISHED.**

2 Part B of title IV of the Higher Education Act of
3 1965 is amended by inserting after section 428K (20
4 U.S.C. 1078–11) the following new section:

5 **“SEC. 428L. LOAN FORGIVENESS FOR NURSES.**

6 “(a) PURPOSES.—The purposes of this section are—

7 “(1) to encourage—

8 “(A) individuals to enter and continue in
9 the nursing profession; and

10 “(B) experienced nurses to instruct nurses
11 entering the profession; and

12 “(2) to reward such individuals for their service
13 in the nursing profession by reducing the burden of
14 student debt.

15 “(b) LOAN FORGIVENESS.—

16 “(1) LOAN FORGIVENESS AUTHORIZED.—The
17 Secretary is authorized to forgive, in accordance
18 with this section, the student loan debt of an eligible
19 borrower in the amount specified in subsection (d)
20 for each of the first 5 complete years of service de-
21 scribed in subsection (c)(1) by such eligible borrower
22 that occur after the date of enactment of this sec-
23 tion.

24 “(2) METHOD OF LOAN FORGIVENESS.—To
25 provide the loan forgiveness authorized in paragraph

1 (1), the Secretary is authorized to carry out a pro-
 2 gram—

3 “(A) through the holder of the loan, to as-
 4 sume the obligation to repay a qualified loan
 5 amount for a loan made under this part; and

6 “(B) to cancel a qualified loan amount for
 7 a loan made under part D of this title.

8 “(3) LIMITATION ON CONSOLIDATION LOANS.—

9 A loan amount for a loan made under section 428C
 10 may be a qualified loan amount for the purposes of
 11 this section only to the extent that such loan amount
 12 was used to repay a Federal Direct Stafford Loan,
 13 a Federal Direct Unsubsidized Stafford Loan, or a
 14 loan made under section 428 or 428H for an eligible
 15 borrower, as determined in accordance with regula-
 16 tions prescribed by the Secretary.

17 “(c) ELIGIBLE BORROWER.—The Secretary is au-
 18 thorized to provide loan forgiveness under this section to
 19 any individual who—

20 “(1) has been employed for at least one cal-
 21 endar year—

22 “(A) as a full-time registered nurse in a
 23 health care facility or a health care setting ap-
 24 proved by the Secretary of Health and Human
 25 Services for the purposes of this section; or

1 “(B) as a nursing instructor in a school of
2 nursing as defined by the Public Health Service
3 Act (42 U.S.C. 296);

4 “(2) if qualifying on the basis of the employ-
5 ment described in paragraph (1)(B), has received a
6 Masters of Science in Nursing; and

7 “(3) is not in default on a loan for which the
8 borrower seeks forgiveness.

9 “(d) LOAN FORGIVENESS AMOUNTS.—The Secretary
10 shall, from funds appropriated under subsection (j), for-
11 give the loan obligation of an eligible borrower in accord-
12 ance with subsection (b)(2) and in the following incre-
13 ments:

14 “(1) After the first calendar year of employ-
15 ment described in subsection (c)(1), not more than
16 \$2,000.

17 “(2) After the second such year of employment,
18 not more than \$2,500.

19 “(3) After the third such year of employment,
20 not more than \$3,000.

21 “(4) After the fourth such year of employment,
22 not more than \$4,500.

23 “(5) After the fifth such year of employment,
24 not more than \$5,000.

1 “(e) APPLICATION FOR LOAN FORGIVENESS.—An el-
2 igible borrower desiring loan forgiveness under this section
3 shall submit a complete and accurate application to the
4 Secretary at such time, in such manner, and containing
5 such information as the Secretary may require.

6 “(f) PRIORITY.—The Secretary shall grant loan for-
7 giveness under this section on a first-come, first-served
8 basis, and subject to the availability of appropriations.

9 “(g) REGULATIONS.—The Secretary is authorized to
10 prescribe such regulations as may be necessary to carry
11 out the provisions of this section.

12 “(h) CONSTRUCTION.—Nothing in this section shall
13 be construed to authorize the refunding of any repayment
14 of any loan.

15 “(i) PREVENTION OF DOUBLE BENEFITS.—No bor-
16 rower may, for the same service, receive a benefit under
17 both this section and subtitle D of title I of the National
18 and Community Service Act of 1990 (42 U.S.C. 12571
19 et seq.). No borrower may receive a benefit under this sec-
20 tion for both employment described in subsection (c)(1)(A)
21 and employment described in subsection (c)(1)(B).

22 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out this section

- 1 such sums as may be necessary for fiscal year 2008 and
- 2 each of the 5 succeeding fiscal years.”.

